

# QUICK-REFERENCE GUIDE

## PROP 1A STATE BUDGET. CHANGES CALIFORNIA BUDGET PROCESS. LIMITS STATE SPENDING. INCREASES “RAINY DAY” BUDGET STABILIZATION FUND.

### SUMMARY

Put on the Ballot by the Legislature

Changes the budget process. Could limit future deficits and spending by increasing the size of the state “rainy day” fund and requiring above-average revenues to be deposited into it, for use during economic downturns and other purposes. Fiscal Impact: Higher state tax revenues of roughly \$16 billion from 2010–11 through 2012–13. Over time, increased amounts of money in state rainy day reserve and potentially less ups and downs in state spending.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: Various state budgeting practices would be changed. In some cases, the state would set aside more money in one of its “rainy day” reserve funds. Higher state taxes recently passed would be extended for up to two years.

**NO** A NO vote on this measure means: No changes would be made to state’s current budgeting practices or its rainy day reserve funds. Higher state taxes recently passed would end by 2010–11.

### ARGUMENTS

**PRO** Yes 1A: REFORM OUR BROKEN BUDGET SYSTEM. 1A forces budget stability and accountability. It strictly limits state spending and mandates a bigger rainy day fund—forcing politicians to save more in good years to prevent tax increases and cuts to schools, public safety and other vital services in bad years.

**CON** 1A is not what its supporters promise. Why? Because 1A: Treats the “Rainy Day Fund” as a *slush fund for Pork Barrel spending*; Could *force service cuts even in good times*; Encourages *unlimited tax increases—doesn’t stop them*; Gives *unchecked power* to Governor. Vote No on 1A.

### FOR ADDITIONAL INFORMATION

**FOR**  
Budget Reform Now  
(866) 978-3444  
info@cabudgetreformnow.com  
www.cabudgetreformnow.com

**AGAINST**  
Douglas Herman  
790 E. Colorado Blvd.,  
Suite #506  
Pasadena, CA 91101  
(626) 535-0713  
www.VoteNoOn1A.com

## PROP 1B EDUCATION FUNDING. PAYMENT PLAN.

### SUMMARY

Put on the Ballot by the Legislature

Requires supplemental payments to local school districts and community colleges to address recent budget cuts. Fiscal Impact: Potential state savings of up to several billion dollars in 2009–10 and 2010–11. Potential state costs of billions of dollars annually thereafter.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: The state would make supplemental payments to schools and community colleges beginning in 2011–12. These payments would replace other payments the state might otherwise be required to make in earlier years.

**NO** A NO vote on this measure means: The state would not make supplemental payments to schools and community colleges, and instead make other payments as required under current law.

### ARGUMENTS

**PRO** The budget crisis has cut \$12 billion from our schools. Over 5,000 teachers have been laid off, thousands more are threatened. Prop. 1B starts the process of paying our schools and community colleges back as economic conditions improve. Our future depends on the investment we make in educating our children.

**CON** No argument against Proposition 1B was submitted.

### FOR ADDITIONAL INFORMATION

**FOR**  
Andrea Landis  
Kaufman Campaign Consultants  
1510 J Street, Suite 210  
Sacramento, CA 95814  
(916) 443-7817  
www.YES1B.com

**AGAINST**  
No contact information was provided.

# QUICK-REFERENCE GUIDE

## PROP LOTTERY MODERNIZATION ACT. 1C

### SUMMARY

*Put on the Ballot by the Legislature*

Allows the state lottery to be modernized to improve its performance with increased payouts, improved marketing, and effective management. Requires the state to maintain ownership of the lottery and authorizes additional accountability measures. Protects funding levels for schools currently provided by lottery revenues. Increased lottery revenues will be used to address current budget deficit and reduce the need for additional tax increases and cuts to state programs. Fiscal Impact: Allows \$5 billion of borrowing from future lottery profits to help balance the 2009–10 state budget. Debt-service payments on this borrowing and higher payments to education would likely make it more difficult to balance future state budgets.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: The state would be allowed to borrow \$5 billion from future lottery profits to help balance the 2009–10 state budget, as well as borrow additional funds later. The California Lottery would have greater flexibility to increase its sales and profits. Lottery payments to educational institutions would end, and the state General Fund would increase its payments to education to make up for the loss of these lottery funds.

**NO** A NO vote on this measure means: The state would not be able to borrow from lottery profits to help balance the state budget. The lottery would continue to operate as it does today, with profits dedicated to education.

### ARGUMENTS

**PRO** Yes on Prop. 1C MODERNIZES OUR LOTTERY and generates up to \$5 billion in new revenue—without raising taxes. Prop. 1C guarantees schools get the same level of lottery funding as they do now. Prop. 1C will help prevent more tax hikes and deeper cuts to public safety and schools.

**CON** A no vote on this measure will leave the state lottery as the voters intended when they voted for Proposition 37 in 1984. Funding to education by the state lottery will not decrease or change in any way.

### FOR ADDITIONAL INFORMATION

**FOR**  
Budget Reform Now  
(866) 978-3444  
info@cabudgetreformnow.com  
www.cabudgetreformnow.com

**AGAINST**  
Senator Bob Huff  
1017 L Street #401  
Sacramento, CA 95814  
(909) 396-6474

## PROP PROTECTS CHILDREN'S SERVICES FUNDING. 1D HELPS BALANCE STATE BUDGET.

### SUMMARY

*Put on the Ballot by the Legislature*

Temporarily provides greater flexibility in funding to preserve health and human services for young children while helping balance the state budget in a difficult economy. Fiscal Impact: State General Fund savings of up to \$608 million in 2009–10 and \$268 million annually from 2010–11 through 2013–14. Corresponding reductions in funding for early childhood development programs provided by the California Children and Families Program.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: A portion of funds previously approved by the voters to support early childhood development programs through the California Children and Families Program will be temporarily redirected over the next several years to achieve state General Fund budgetary savings.

**NO** A NO vote on this measure means: The California Children and Families Program will continue to receive all the funding now dedicated for the expansion of early childhood development programs. Other budget reductions or revenue increases would be needed to address the state's fiscal problems.

### ARGUMENTS

**PRO** Proposition 1D protects vulnerable children while helping California close a \$42 billion budget gap. It temporarily shifts a portion of the unspent \$2.5 billion in First 5 Commission accounts to fund critical health and social services for children under the age of 5 and protects against future cuts.

**CON** Proposition 1D takes \$1.6 billion away from local health and education programs for young children and gives it to Sacramento politicians. Prop. 1D violates the will of voters who twice approved these funds for local health, education, and antismoking programs. Prop. 1D replaces voter-mandated local control with Sacramento bureaucracy.

### FOR ADDITIONAL INFORMATION

**FOR**  
No contact information was provided.

**AGAINST**  
Protect Children and Families:  
Vote No on Prop. 1D  
2340 Powell St. #164  
Emeryville, CA 94608  
(510) 672-1016  
info@NoOnProposition1D.com  
www.NoOnProposition1D.com

# QUICK-REFERENCE GUIDE

**PROP 1E** MENTAL HEALTH SERVICES FUNDING. TEMPORARY REALLOCATION. HELPS BALANCE STATE BUDGET.

## SUMMARY

*Put on the Ballot by the Legislature*

Helps balance state budget by amending the Mental Health Services Act (Proposition 63 of 2004) to transfer funds, for two years, to pay for mental health services provided through the Early and Periodic Screening, Diagnosis, and Treatment Program for children and young adults. Fiscal Impact: State General Fund savings of about \$230 million annually for two years (2009–10 and 2010–11). Corresponding reduction in funding available for Mental Health Services Act programs.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: A portion of funds previously approved by the voters under Proposition 63 to support the expansion of community mental health programs will be redirected over the next two years to achieve state General Fund savings.

**NO** A NO vote on this measure means: All Proposition 63 funds would continue to be used to support the expansion of community mental health programs. Other budget reductions or revenue increases would be needed to address the state's fiscal problems.

## ARGUMENTS

**PRO** This is a one-time redirection of funds to help close an unprecedented \$42 billion budget shortfall. Voting yes on Prop. 1E will ensure that we can continue to provide critical services to our most vulnerable Californians. It's the right thing to do for those who need us most.

**CON** The Mental Health Services Act's successful programs save the state and local governments money by reducing incarceration, homelessness, hospitalization, out-of-home placements, and school failure. During these difficult times, let's keep programs that work and respect the will of the people. Vote no on Proposition 1E.

## FOR ADDITIONAL INFORMATION

**FOR**  
No contact information was provided.

**AGAINST**  
Rusty Selix  
No on Prop. 1E  
1127 11th Street, #925  
Sacramento, CA 95814  
(916) 557-1166  
[www.NoProp1E.com](http://www.NoProp1E.com)

**PROP 1F** ELECTED OFFICIALS' SALARIES. PREVENTS PAY INCREASES DURING BUDGET DEFICIT YEARS.

## SUMMARY

*Put on the Ballot by the Legislature*

Encourages balanced state budgets by preventing elected Members of the Legislature and statewide constitutional officers, including the Governor, from receiving pay raises in years when the state is running a deficit. Directs the Director of Finance to determine whether a given year is a deficit year. Prevents the Citizens Compensation Commission from increasing elected officials' salaries in years when the state Special Fund for Economic Uncertainties is in the negative by an amount equal to or greater than one percent of the General Fund. Fiscal Impact: Minor state savings related to elected state officials' salaries in some cases when the state is expected to end the year with a budget deficit.

## WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: Members of the Legislature, the Governor, and other elected state officials could not receive salary increases in certain cases when the state General Fund is expected to end the year with a deficit.

**NO** A NO vote on this measure means: A commission established by voters in 1990 could continue to give salary increases to Members of the Legislature, the Governor, and other elected state officials in any year, including cases when the state General Fund is expected to end the year with a deficit.

## ARGUMENTS

**PRO** Yes on 1F: NO PAY RAISES FOR POLITICIANS WHEN CALIFORNIA IS RUNNING A DEFICIT. Prop. 1F prohibits legislators, the governor and other state politicians from getting pay raises whenever the state is running a deficit.

**CON** Proposition 1F *won't work*. Legislators won't change their voting behavior just because of a threatened salary freeze. This petty, vindictive attempt to punish the Legislature will give us *no relief* from budget stalemates, while unfairly penalizing innocent bystanders such as the Secretary of State and Board of Equalization.

## FOR ADDITIONAL INFORMATION

**FOR**  
Peter Newman  
484 B Washington Street,  
Suite 130  
Monterey, CA 93940  
(831) 626-3563  
[info@reformforchange.com](mailto:info@reformforchange.com)  
[www.reformforchange.com](http://www.reformforchange.com)

**AGAINST**  
Pete Stahl  
Pete Rates the Propositions  
[NoOn1F@PeteRates.com](mailto:NoOn1F@PeteRates.com)  
[www.PeteRates.com](http://www.PeteRates.com)